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SIOUX RURAL WATER SYSTEM, INC., * 1:15-CV-01023-CBK
4 A NON-PROFIT CORPORATION. *

5 Plaintiff,

6 vs.

7 CITY OF WATERTOWN, A SOUTH
8 DAKOTA MUNICIPALITY; AND
9 WATERTOWN MUNICIPAL UTILITIES,
AN AGENCY OF THE CITY OF
WATERTOWN,

10 Defendants.

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13 DEPOSITION

14 OF

15 JEFF DEVILLE

16 February 16, 2016

17 10:55 o'clock, a.m.

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21 Taken at:
Offices of Watertown Municipal Utilities
22 901 Fourth Avenue SW
Watertown, South Dakota

24 Reporter: Tammy Stolle, RPR

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<p style="text-align: right;">15</p> <p>1 Q. (BY MR. COLE) We heard Steve talk a little bit 2 about areas where there were pipes in the ground for the City 3 of Watertown and customer billing information. Are you the 4 person who would be best positioned to be able to give us 5 information on that?</p> <p>6 A. The pipes I would, but not the billing 7 information.</p> <p>8 Q. Sure. Okay. And I'm just going to ask you a 9 couple of these questions. We can look at the documents, but 10 I think you'll know the answer right off the top of your 11 head, but Steve talked about what a private fire service was. 12 Do you recall that?</p> <p>13 A. A private fire service?</p> <p>14 Q. Yes.</p> <p>15 A. Yeah, that would be any building that would be -- 16 have internal sprinkling such as this here with the heads in 17 the ceiling.</p> <p>18 Q. Do you have a map of where those private fire 19 services are located?</p> <p>20 A. Generally, no. We track water mains. We don't 21 track services.</p> <p>22 Q. Are you familiar at all with the financial issues 23 involving MU?</p> <p>24 A. No, not really.</p> <p>25 Q. You're the person though best to ask about the</p>	<p style="text-align: right;">17</p> <p>1 policy of MU?</p> <p>2 A. Yes.</p> <p>3 Q. And is it also a policy of the City of Watertown?</p> <p>4 A. I don't know that the city has a policy like 5 that.</p> <p>6 Q. And we talked about the comp plan. I'm just -- I 7 mean, if you don't know much about it, you don't know much 8 about it, but that's where it says there's a policy of not 9 providing service beyond the city limits of Watertown.</p> <p>10 A. I'd have to take your word for it. I've never 11 read the document.</p> <p>12 Q. Fair enough.</p> <p>13 During the time that you've worked as the 14 superintendent, it's fair to say there's been a number of 15 annexations of properties into the City of Watertown?</p> <p>16 A. Yes.</p> <p>17 Q. And for each one of those annexations, is it fair 18 to say that it's been the intent of MU to provide service to 19 those newly annexed areas?</p> <p>20 A. Yes.</p> <p>21 Q. And if there was Sioux customers there, you would 22 apply the process that you've already testified to, correct?</p> <p>23 A. I would apply what I said that we would not ask 24 to have that person hooked to us.</p> <p>25 Q. But if the person asked to be hooked to you, then</p>
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<p style="text-align: right;">16</p> <p>1 water production and distribution system of Municipal 2 Utilities?</p> <p>3 A. Sure.</p> <p>4 Q. Are you familiar with the Watertown, City of 5 Watertown comprehensive land use plan?</p> <p>6 A. I know they have one.</p> <p>7 Q. Have you been involved at all in the development 8 of any of the plans and policies involved in any of the 9 comprehensive land use plans or its amendments?</p> <p>10 A. No.</p> <p>11 Q. Have you ever assisted anyone from the planning 12 district or from the city in preparing the comprehensive land 13 use plan?</p> <p>14 A. Not directly. If there'd have been a request 15 made through, you know, any city official, I guess, I would 16 share production information, but that would be the extent of 17 it.</p> <p>18 Q. Is there anybody that you're aware of that works 19 for MU that would have cooperated with the planning district 20 or the city with regard to the comp plan?</p> <p>21 A. That would be -- no.</p> <p>22 Q. We talked a little bit about the policy of not 23 providing water beyond city limits. Do you recall that?</p> <p>24 A. Yes.</p> <p>25 Q. And is it your understanding that that is a</p>	<p style="text-align: right;">18</p> <p>1 you would hook them up?</p> <p>2 A. Yes.</p> <p>3 Q. One of the things I read in this comp plan that 4 you haven't read that I'm going to ask you about --</p> <p>5 A. Okay.</p> <p>6 Q. -- anyway, is they talk about -- get on the right 7 page here. I'm directing -- I'll just tell you where I'm 8 referring to this. I don't think you need to look at it 9 unless you want to.</p> <p>10 A. Okay.</p> <p>11 Q. But it's Defendant 69, and it says, in part, 12 quote, "First, the city has a differential of water pumped to 13 water sold in excess of approximately 15 percent. This is a 14 generally acceptable amount of loss for a water distribution 15 system." Have you ever heard that statement before?</p> <p>16 A. I have.</p> <p>17 Q. Do you agree with it?</p> <p>18 A. I don't know that 15 percent is acceptable, but 19 that's kind of industry standards.</p> <p>20 Q. With specific reference to the Municipal 21 Utilities, what is your percentage of water loss?</p> <p>22 A. It varies, you know. I would -- I'd have to -- I 23 think maybe we're at 12 percent or something like that.</p> <p>24 Q. Do you have records that would indicate what your 25 yearly water loss amount would be?</p>
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1	A. Yes.		
2	Q. And you said it's currently you think about		
3	12 percent?		
4	A. I believe so.		
5	Q. But the industry standard is 15?		
6	A. Up to 15, yeah.		
7	Q. And in past years have you been higher than 12?		
8	A. Oh, yeah.		
9	Q. How high have you went?		
10	A. I know we've been at -- I don't know for the		
11	whole year, but for monthly information, you know, 15, 16.		
12	Q. Has that affected your ability to serve your		
13	customers at all?		
14	A. No, we still -- we haven't ran out of water yet.		
15	Q. During your time as the water superintendent,		
16	when annexations have been completed, has there ever been any		
17	discussion of the economics of acquiring existing rural water		
18	systems?		
19	A. Not to my knowledge, no.		
20	Q. Are you familiar with the general growth areas of		
21	the City of Watertown?		
22	A. General, yeah.		
23	Q. And again, there are several growth areas, one is		
24	the northeast growth area, Elmira Township, are you familiar		
25	with that in general terms?		
	21		
	of service locations for Sioux Rural Water?		
2	A. I looked at that base map, yes.		
3	Q. And do you agree with me that Sioux has a number		
4	of customers in Watertown's various growth areas?		
5	A. I would assume so, yes.		
6	Q. And is it your understanding that the intent of		
7	MU, if and when those areas are annexed into the city, that		
8	you would follow the procedure that you've already discussed		
9	here at this deposition?		
10	MR. HIEB: Objection. Calls for speculation. Go		
11	ahead.		
12	A. If that customer would ask for our service, I		
13	would go down the path that is laid out by the state law.		
14	Q. (BY MR. COLE) And even if Sioux to your		
15	understanding, if Sioux said no, MU to your understanding		
16	would follow the state statute?		
17	MR. HIEB: Same objection, calls for speculation.		
18	Go ahead.		
19	A. Yeah, I would -- I don't know. I guess I'd have		
20	to see what happens. I -- it's not -- I don't know that I		
21	can answer that easily.		
22	Q. (BY MR. COLE) Sure. The past -- in the past		
23	though, that's been how it's worked, correct?		
24	A. The one time that it's happened.		
25	Q. During the time that you've been water		

	20		
1	A. I know where it's at. I mean, you know, it's the		
2	east part of town, you know. I couldn't tell you what the		
3	extent of the growth area is, but...		
4	Q. When there's going to be an annexation by the		
5	City of Watertown, what does the city do to find out whether		
6	or not MU can provide water to that area that's going to be		
7	annexed?		
8	A. I don't know.		
9	Q. How do you find out about it?		
10	A. Well, you know, we get minutes of what, you know,		
11	the planning commission is doing from the city, but I don't		
12	-- you know, they aren't contacting me to find out if I've		
13	got capacity there or not.		
14	Q. Do you know who they are contacting?		
15	A. No.		
16	Q. Would you want the city to annex property that		
17	you couldn't provide service to?		
18	A. I guess I would have to -- if they annexed it in,		
19	I would have to try and get service to them. You know, it --		
20	Q. Is it fair to say that the city officials, city		
21	government, are the ones that decide where the annexation is		
22	going to take place and then it's your guys's job to provide		
23	water to that location after the fact?		
24	A. I would say so, yes.		
25	Q. Have you had a chance to review some of the maps		
	22		
	superintendent, at any discussion of the provision of water		
1	to an annexed area, has there ever been any discussion that		
2	MU has had internally about the location of a Sioux line?		
3	A. I don't believe so.		
4	MR. COLE: Let's go to, if we can, Jack, look at		
5	Defendant 421.		
6	Q. (BY MR. COLE) Do you have Defendant 421 in front		
7	of you?		
8	A. Yep.		
9	Q. I'd ask you to take just a couple minutes or less		
10	and just look through the pages of that.		
11	MR. HIEB: How many pages do you want him to look		
12	at, Jeff?		
13	MR. COLE: Well, let me count them. Five pages.		
14	MR. HIEB: Let me pull this out. (Handing.)		
15	Q. (BY MR. COLE) Do you recall getting this		
16	particular letter?		
17	A. Yes.		
18	Q. Do you have any reason to doubt that the		
19	customers that are listed in this document are in fact		
20	customers that have been added onto rural water within a		
21	three-mile radius of Watertown?		
22	A. I'm assuming so, that's what it says right in the		
23	reason for the letter.		
24	Q. And there's various handwriting, it says SRW		